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C O N F I D E N T I A L BEIJING 000613

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TAGS: PREL PGOV EFIN ECON CH FR JA GM UK
SUBJECT: BEIJING-BASED G-5 CHIEFS OF MISSION ON SINO-FRENCH
RELATIONS, G-20 SUMMIT, HIGH-LEVEL VISITS, OTHER TOPICS

Classified By: Acting DCM William Weinstein. Reasons 1.4 (b/d).

Summary

11. (C) At the regular meeting of G-5 Ambassadors in Beijing March 6, French Ambassador Herve Ladsous reported that Sino-French talks are "still in the doldrums." France suspects that the Chinese government is behind the Chinese antique collector who bid on the Chinese cultural relics at a Paris auction and then refused to pay. UK Ambassador William Ehrman said China wants to increase its voting shares in international financial institutions and is opposed to including language on macroeconomic imbalances and climate change in the statement to come out of the April 2 G-20 summit. Japanese Ambassador Yuji Miyamoto reported that the Japanese government would not formally assist the China Investment Corporation (CIC) investment mission to Japan. German Ambassador Dr. Michael Schaefer said Germany will bring a German film about the Nanjing massacre to China. End Summary.

Participants

12. (C) French Ambassador Herve Ladsous hosted Japanese Ambassador Yuji Miyamoto, German Ambassador Dr. Michael Schaefer, UK Ambassador William Ehrman and A/DCM March 6 for the regular G-5 gathering of Beijing-based Chiefs of Mission.

Sino-French Relations: Still in the Doldrums

- $\P 3$. (C) French Ambassador Ladsous reported that Sino-French talks were still "in the doldrums." The MFA was still refusing to see the French Ambassador unless the Chinese had a specific issue to address. French Embassy officials were still getting meetings with provincial leaders and technical ministries (including a meeting at the Ministry of Commerce to discuss the G-20 Summit), but those meetings were usually at the level of Director General or below. Regarding the recent Paris auction of Chinese cultural relics, Ambassador Ladsous said France suspected Chinese antique collector Cai Mingchao, who reportedly had the highest bid for two statuettes allegedly looted during the Second Opium War but refused to pay, was acting on instructions from the Chinese government. Ambassador Ladsous said China was taken aback by the reaction abroad to the auction and was now directing Cai to make excuses about his inability to pay for the statuettes. China had not delivered a formal demarche regarding the auction, but MFA officials had privately urged the French Ambassador to have his government make a statement of concern. Ambassador Ladsous said he had recommended that the French MFA not make such a statement.
- $\P4$. (C) Ambassador Ladsous reported that the Dalai Lama planned to travel to Europe June 4-9, including a stop in Paris to meet the mayor and collect his honorary citizen

award. Ladsous had heard reports from the Dalai Lama's representatives that the Dalai Lama would travel to the United States in the fall to meet President Obama. Ambassador Ladsous said China was planning to send a number of trade missions to Europe, including an investment mission to Germany and the UK and a purchasing mission to Hungary, Romania and other central European countries. Commenting on increased Chinese investment in Europe, he noted that concern was building over the potential purchase of a GM plant in Alsace Loraine, where a Chinese company was the sole bidder.

UK and China Negotiating over G-20 Objectives, Photo

- 15. (C) China would like to increase its voting shares in international financial institutions and was opposed to including language on macroeconomic imbalances and climate change in the statement to be issued at the April 2 G-20 summit in London, UK Ambassador Ehrman reported. The UK had pushed back on climate change, but Chinese officials were reluctant to support language on climate change, commenting "we know what Obama has said, let's see what he does." Ambassador Ehrman said the UK and China were also negotiating over the G-20 leaders' photo. China requested that President Hu be next to Prime Minister Brown in the photo, based on Hu's status as the leader with the second-longest tenure after Brazilian President Lula. UK officials had told China that the UK would follow normal diplomatic protocol for the photo.
- ¶6. (C) The UK had no objections to two Chinese investment missions planned for this spring, Ambassador Ehrman said. Vice Premier Wang Qishan would attend an investment dialogue with the UK in May, and State Councilor Dai Bingguo would visit London in May or June for talks with the UK Foreign Minister. The UK Vice Chief of Defense Staff would attend the Chinese naval review off the coast of Qingdao in April. Other upcoming visits to China include UK Business Secretary Peter Mandelson, Environment Minister Hilary Benn and First Minister of Scotland Alex Salmond.

Japan Concerned about CIC Investment in Japan

17. (C) Japanese Ambassador Miyamoto reported that the China Investment Corporation (CIC) would like to send an investment mission to Japan and requested official Japanese government assistance, but the Japanese government would not provide assistance to CIC. He said that CIC's interest in investing in Japan was a sensitive issue and that no Japanese company was willing to be sold to CIC. Japanese Foreign Minister Nakasone held talks with Chinese Premier Wen Jiabao, Foreign Minister Yang Jiechi and State Councilor Dai Bingguo March 1. FM Yang stressed the need to use diplomatic means to resolve the dispute over the Senkaku Islands, Ambassador Miyamoto reported, adding that China wanted to "put aside" the disputed islands issue. Japanese Deputy Foreign Minister Kenichiro Sasae was slated to host a security dialogue in Tokyo March 27. China's delegation would be headed by Assistant Foreign Minister Hu Zhengyue and would include officials from the Ministry of National Defense.

German Film about Nanjing Massacre, Upcoming Visits

18. (C) German Ambassador Schaefer reported that a German film about the Nanjing massacre called "John Rabe," which premiered in February at the Berlin International Film Festival, would be shown in China. Directing his comments about the film to the Japanese Ambassador, Ambassador Schaefer said he wanted to make sure he was sensitive to Japan's concerns. Ambassador Schaefer said the German Minister of Economy would come to China in April to meet Minister of Commerce Chen Deming. In April, Germany would sponsor a three-day rule of law conference in Shenzhen and an ecological and industrial reform conference in Liaoning Province. Representatives of the German Bundestag would like to travel to Tibet in April, but China had not yet approved

the trip and had adopted a "wait-and-see" attitude.

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